

## SECURITIES & INVESTMENTS

- 1) A \_\_\_ is a type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.
  - A) stock
  - B) dividend
  - C) mutual fund
  - D) bond
  
- 2) \_\_\_ often involves the creation of sophisticated models to test the variables affecting a particular investment decision.
  - A) Data-mining technology
  - B) Analytical interpretations
  - C) Financial economics
  - D) Product marketing
  
- 3) A regular payment made during a person's retirement from an investment fund to which that person or their employer has contributed during their working life.
  - A) Pension
  - B) Dividend
  - C) Bond
  - D) Stock
  
- 4) Identify which is **not** a main issuer form of investment bonds.
  - A) treasury
  - B) U.S. government
  - C) global
  - D) investment-grade corporate
  
- 5) \_\_\_ mortgages typically have a short term, very low payments, at the end of the term, the full balance is due immediately.
  - A) Balloon
  - B) Reverse
  - C) Dependent
  - D) Government backed

- 6) A \_\_\_ mortgage gives homeowners access to their home's equity in a loan that can be withdrawn in a lump sum, with set monthly payments, or as a revolving line of credit.
- A) division
  - B) dividend
  - C) forward
  - D) reverse
- 7) The main distinction between common and preferred shares is \_\_\_.
- A) common shares usually carry no dividends
  - B) preferred shares usually carry voting rights
  - C) common shares usually carry voting rights
  - D) preferred shares usually carry no dividends
- 8) Markets such as the New York Stock Exchange (NYSE), London Stock Exchange, or Nasdaq are \_\_\_ markets.
- A) legendary
  - B) secondary
  - C) tertiary
  - D) primary
- 9) Common unethical behaviors in a financial support center would include all of the following **except** \_\_\_.
- A) violating company Internet policies by surfing on the web
  - B) use of company time for marketing a new product
  - C) abusive behavior towards colleagues
  - D) employee theft
- 10) The \_\_\_ shows the company's assets, liabilities and shareholder's equity at a specific time.
- A) balance sheet
  - B) cash flow statement
  - C) annual report
  - D) income statement

- 11) A \_\_\_ is a sales charge commission charged to an investor when buying or redeeming shares in a mutual fund.
- A) transaction terms
  - B) management fee
  - C) load
  - D) hiring costs
- 12) The type of fund that distributes capital gains after fiscal year-end and at calendar year-end.
- A) growth funds
  - B) growth and income funds
  - C) money market and most bond funds
  - D) equity and bond funds
- 13) Adding collateral \_\_\_ the risk of an investment's default, since the issuer does **not** want to lose the pledged collateral due to nonpayment.
- A) negates
  - B) covers up
  - C) maximizes
  - D) minimizes
- 14) The price of the option contract is referred to as \_\_\_.
- A) exchange
  - B) rate
  - C) premium
  - D) collateral
- 15) Within the Financial Services Act 2012, the Financial Conduct Authority (FCA) inherited the Financial Services Authority's (FSA) existing responsibilities for certain institutions operating outside the FSMA regulatory perimeter, including all of the following **except** \_\_\_.
- A) mutual societies
  - B) e-money firms
  - C) automated teller machines
  - D) payment service providers

- 1) A
- 2) C
- 3) A
- 4) C
- 5) A
- 6) D
- 7) C
- 8) B
- 9) B
- 10) A
- 11) C
- 12) D
- 13) D
- 14) C
- 15) C